

**PROPERTY TAX RELIEF MODIFICATIONS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jim Dabakis**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to water conservancy district property tax levies.

**Highlighted Provisions:**

This bill:

- ▶ provides that property tax collections of certain water conservancy districts may not exceed a certain amount with exceptions;

- ▶ provides that if a water conservancy district determines that emergency circumstances exist, a water conservancy district may levy a property tax that exceeds the property tax collection restriction in certain circumstances;

- ▶ prohibits certain water conservancy districts from issuing bonds secured by certain property tax revenue; and

- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**17B-2a-1006**, as last amended by Laws of Utah 2010, Chapter 159

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28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **17B-2a-1006** is amended to read:

30 **17B-2a-1006. Limits on water conservancy district property tax levy -- Additional**  
31 **levy.**

32 (1) Except as provided in Subsection (2), and subject to [~~Subsection~~] Subsections (3)  
33 and (4) and Section **17B-2a-1009**, the property tax levy of a water conservancy district for all  
34 purposes may not exceed:

35 (a) .0001 per dollar of taxable value of taxable property in the district, before the  
36 earliest of:

37 (i) the planning or design of works;

38 (ii) the acquisition of the site or right-of-way on which the works will be constructed;

39 or

40 (iii) the commencement of construction of the works; and

41 (b) .0002 per dollar of taxable value of taxable property in the district, after the earliest  
42 of the events listed in Subsection (1)(a).

43 (2) Subject to Subsection (3) and Section **17B-2a-1009**:

44 (a) in a district that contains land located within the Lower Colorado River Basin, the  
45 levy after the earliest of the events listed in Subsection (1)(a) may be increased to a maximum  
46 of .001 per dollar of taxable value of taxable property in the district; and

47 (b) in a district to be served under a contract, water appropriation, water allotment, or  
48 otherwise by water apportioned by the Colorado River Compact to the Upper Basin, the levy  
49 after the earliest of the events listed in Subsection (1)(a) may be increased to a maximum of  
50 .0004 per dollar of taxable value of taxable property.

51 (3) [~~A~~] Subject to the restriction in Subsection (4), a water conservancy district may  
52 impose an additional property tax levy, not to exceed .0001 per dollar of taxable value of  
53 taxable property in the district, if the additional levy is necessary to provide adequate funds to  
54 pay maturing bonds or other debts of the district.

55 (4) (a) Except as provided in Subsections (4)(b) and (c), beginning on July 1, 2020,  
56 property tax collections by a water conservancy district may not exceed 15% of a district's total  
57 annual revenues according to the district's most recent audited financial statement on record  
58 with the state auditor if all or part of the district's service area is within a county of the first or

59 second class.

60 (b) A water conservancy district with a service area that comprises more than five  
61 counties as of January 1, 2016, is exempt from the restriction in Subsection (4)(a).

62 (c) If a water conservancy district determines that emergency circumstances exist, a  
63 water conservancy district may levy a property tax that exceeds the property tax collection  
64 restriction under Subsection (4)(a) if approved by at least 75% of water conservancy district  
65 voters at an election held for that purpose.

66 (5) Beginning on July 1, 2017, a water conservancy district subject to the restriction in  
67 Subsection (4) may not issue bonds secured by property tax revenue levied under this section.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**